

# EXECUTIVE RECOMMENDATION

## HOC MPDU/Property Acq Fund - No. 768047

Category: Housing Opportunities Commission  
 Agency: Housing Opportunities Commission  
 Planning Area: Countywide  
 Relocation Impact:

Date Last Modified: January 5, 2007  
 Required Adequate Public Facility: No

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Thru Remain. 6 Year				Beyond							
	Total	FY06	FY06	Total	FY07	FY08	FY09	FY10	FY11	FY12	6 Years	
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0	0
Land	10,607	8,032	2,575	0	0	0	0	0	0	0	0	0
Construction	1,900	1,263	637	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>12,507</b>	<b>9,295</b>	<b>3,212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### FUNDING SCHEDULE (\$000)

Revolving Fund - G.O. Bonds	12,400	9,295	3,105	0	0	0	0	0	0	0	0	0
G.O. Bonds	0	0	0	0	0	0	0	0	0	0	0	0
Revolving Fund - Current Revenue	107	0	107	0	0	0	0	0	0	0	0	0

### COMPARISON (\$000)

	Total	Thru Remain. 6 Year				Beyond							
		FY06	FY06	Total	FY07	FY08	FY09	FY10	FY11	FY12	6 Years	Approp.	Request
Current Approved	12,507	8,881	3,626	0	0	0	0	0	0	0	0	0	0
Agency Request	20,507	8,881	3,626	8,000	0	8,000	0	0	0	0	0	8,000	
Recommended	12,507	9,295	3,212	0	0	0	0	0	0	0	0	0	
<b>CHANGE</b>				<b>TOTAL</b>	<b>%</b>	<b>6-YEAR</b>	<b>%</b>				<b>APPROP.</b>		
Agency Request vs Approved				8,000	64.0%	8,000	0.0%				8,000	0.0%	
Recommended vs Approved				0	0.0%	0	0.0%				0	0.0%	
Recommended vs Request				(8,000)	(39.0%)	(8,000)	(100.0%)				(8,000)	(100.0%)	

**Recommendation**  
 DO NOT APPROVE

#### Comments

For fiscal reasons, the County Executive does not recommend an increase to the project, at this time.

# HOC MPDU/Property Acq Fund -- No. 768047

Category  
Agency  
Planning Area  
Relocation Impact

Housing Opportunities Commission  
Housing Opportunities Commission  
Countywide  
None

Date Last Modified  
Required Adequate Public Facility

November 20, 2006  
NO

## EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY06	Rem. FY06	Total 6 Years	FY07	FY08	FY09	FY10	FY11	FY12	Beyond 6 Years
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	18,607	8,032	2,575	8,000	0	8,000	0	0	0	0	0
Site Improvements and Utilities											
Construction	1,900	1,263	637	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>20,507</b>	<b>9,295</b>	<b>3,212</b>	<b>8,000</b>	<b>0</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## FUNDING SCHEDULE (\$000)

Revolving Fund - G.O. Bonds	12,400	9,295	3,105	0	0	0	0	0	0	0	0
G.O. Bonds	8,000	0	0	8,000	0	8,000	0	0	0	0	0
Revolving Fund - Current Revenue	107	0	107	0	0	0	0	0	0	0	0

## ANNUAL OPERATING BUDGET IMPACT (\$000)

### DESCRIPTION

This is a revolving loan fund from which HOC is authorized to use up to \$10.5 million at any one time for: (a) the interim financing, including cost of acquisition and finishing by HOC, of MPDUs as permitted in Chapter 25A of the Montgomery County Code, provided that the unit is used in tandem with a Federal, State, or local subsidy program and is developed to provide housing to low- and moderate-income households; and (b) planning, acquisition, and improvement of sites and/or existing properties for low- and moderate-income, single, or multifamily housing facilities, which are to be owned and operated by HOC or its designees. Sites may be land-banked in anticipation of future development when adequate public facilities become available. Upon receipt of permanent financing, monies are returned to the fund for reuse. No MPDU may be held by the fund for more than 24 months, the 24-month maximum holding period may be extended in unusual situations for a limited time upon determination by the Director of the Department of Housing and Community Affairs that such an extension would best support purposes of this program. HOC may determine that a County lump sum subsidy is required to secure independent financing or meet Federal, State, or local program guidelines for itself or its designees. Such write-downs from County funds shall be made only for projects serving households whose incomes do not exceed the following limits: 1/3 units - 80 percent of Washington Metropolitan Area Median income; 1/3 units - 80 percent of County Median income; and 1/3 units uncontrolled. In the event that a subsidy is undertaken, then in its next CIP submission, HOC shall include a PDF describing the subsidized program and shall request an appropriation sufficient to fully repay this fund.

### Service Area

Countywide

### JUSTIFICATION

Availability of the fund helps assure that HOC has the resources to respond promptly to acquisition opportunities for MPDUs, sites, and properties in suitable locations consistent with County housing policy. The ability to make write-downs from this fund permits HOC to increase public purpose in its developments during times of scarce outside subsidies.

### STATUS

Outstanding draws as of June 30, 2005, totaled \$8.8 million. Repayments of \$4.3 million are expected in fiscal year 2006 for the repayment of the remaining balance of the HOC/HOP loan (\$1.2 million), the econolodge (\$2.6 million), Wheaton Metro (\$294,900) and the repayment of the funds deposited for the acquisition of Oakwood apartments (\$250,000). In remaining months of FY06, HOC also anticipates needing up to \$6.1 million of revolving funds. These proceeds will be used to purchase MPDUs for the current MPDU program known as MPDU 2004 (\$2.2 million) and for the HOC/HOP program (\$1.4 million). Bridge funds of approximately \$1.9 million may be needed in connection with the rehabilitation of the Barclay apartments, Chevy Chase Lake apartments, and Spring Garden apartments.

On June 14, 2005, the County Council appropriated an additional \$2 million to this revolving fund. The current balance in the revolving fund as of July 31, 2005 is \$5.8 million. The balance of uncommitted funds at the end of fiscal year 2006 will be \$2.8 million which is planned to be used for project acquisition and planning.

### OTHER

The County General Plan Refinement stands in compliance with the General Plan requirement of the Maryland Economic Growth, Resource Protection, and Planning Act. County Master Plans must be in compliance with the General Plan.

Beginning in FY01, as a contribution to affordable housing, HOC was given relief on past due interest payments and is no longer required to pay interest on funding for this project.

## AGENCY REQUEST

### APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY80	(\$000)
Initial Cost Estimate		10,900
First Cost Estimate		
Current Scope	FY08	20,507
Last FY's Cost Estimate		12,507
Present Cost Estimate		20,507
Appropriation Request	FY08	8,000
Supplemental		
Appropriation Request	FY07	0
Transfer		0
Cumulative Appropriation		12,507
Expenditures/		
Encumbrances		9,928
Unencumbered Balance		2,579
Partial Closeout Thru	FY05	0
New Partial Closeout	FY06	0
Total Partial Closeout		0

### COORDINATION

Department of Finance  
Department of Housing and Community Affairs

### MAP

